

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7614**

**BILL NUMBER:** HB 1958

**DATE PREPARED:** Apr 6, 2001

**BILL AMENDED:** Apr 5, 2001

**SUBJECT:** Prescription Discount and Benefit Cards.

**FISCAL ANALYST:** Bernadette Bartlett

**PHONE NUMBER:** 232-9586

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that a person may not sell, market, promote, advertise, or distribute a card, device, or other purchasing mechanism that is not insurance that purports to offer discounts or access to discounts from a pharmacy for prescription drug or device purchases if certain conditions exist. The bill provides penalties for violations.

The bill allows the Insurance Commissioner to adopt rules that establish uniform requirements for prescription drug information or other technology issued by an insurer, a health maintenance organization, or certain other entities. The bill establishes criteria that must be incorporated into the uniform prescription drug information. The bill provides that prescription drug cards do not have to be issued more than every 12 months.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The Office of the Attorney General could experience additional expenses associated with bringing legal action against violators. However, the additional expenses could be absorbed given the Office's existing budget.

Adopting rules will increase administrative expenses for the Department of Insurance. However, the Department should be able to absorb any additional costs given its existing budget.

**Explanation of State Revenues:** If the Attorney General brings an action under the above provision and prevails, the Attorney General could collect penalties equal to \$100 per card or \$10,000, whichever is greater; three times actual damages; reasonable attorney's fees; court costs; and other relief the court considers proper. Violators could also be subject to penalties provided under the deceptive consumer sales law. Penalties would be deposited in the State General Fund.

**Explanation of Local Expenditures:** Local prosecuting attorneys could experience additional expenses associated with bringing legal action against violators. However, the additional expenses could be absorbed given their existing budgets.

**Explanation of Local Revenues:** If a prosecuting attorney brought an action under the above provision and prevailed, the Attorney General could collect penalties equal to \$100 per card or \$10,000, whichever is greater; three times actual damages; reasonable attorney's fees; court costs; and other relief the court considers proper. Violators could also be subject to penalties provided under the deceptive consumer sales law. Penalties would be deposited in the county general fund.

**State Agencies Affected:** Office of the Attorney General and Department of Insurance.

**Local Agencies Affected:** Prosecuting Attorneys.

**Information Sources:**